

**242.185 Ordinance permitting limited sale of alcoholic beverages by the drink -- Application -- Regulatory fee -- Local option election.**

- (1) This section shall apply to any city of the fourth class or county containing a city of the fourth class in which prohibition is not in effect, notwithstanding any other provisions of this chapter relating to the sales of alcoholic beverages by the drink for consumption on the premises.
- (2) Upon a determination by the legislative body that an economic hardship exists within the city or county and that the sale of alcoholic beverages by the drink could aid economic growth, the legislative body may enact a comprehensive, regulatory ordinance covering the licensing and operation of hotels, motels, inns, or restaurants for the sale of alcoholic beverages by the drink for consumption on the premises.
- (3) Licenses shall only be issued to hotels, motels, or inns containing not less than fifty (50) sleeping units and having dining facilities for not less than one hundred (100) persons or bona fide restaurants open to the general public having dining facilities for not less than one hundred (100) persons.
- (4) The city or county legislative body may provide for the issuance of any licenses permitted by KRS 243.070, or the issuance of any other reasonable administrative regulations as may be necessary for the enforcement or administration of this section, provided that any regulation adopted shall conform to the requirements of KRS 241.190.
- (5) Notwithstanding any limitations imposed on the city's or county's taxing or licensing power by KRS 243.070, the city or county may by ordinance impose a regulatory license fee upon the gross receipts of each establishment located therein and licensed to sell alcoholic beverages by the drink for consumption on the premises. The regulatory license fee may be levied annually at a rate as shall be reasonably estimated to fully reimburse the city or county for the estimated costs for any additional policing, regulatory, or administrative related expenses. The regulatory license fee shall be in addition to any other taxes, fees, or licenses permitted by law, but a credit against the fee shall be allowed in an amount equal to any licenses or fees imposed by the city or county pursuant to KRS 243.070.
- (6) In order to promote economic development and tourism, other provisions of the Kentucky Revised Statutes notwithstanding, a city or county in which prohibition is in effect may, by petition in accordance with KRS 242.020, hold a local option election on the sale of alcoholic beverages by the drink at restaurants and dining facilities which seat a minimum of one hundred (100) persons and derive a minimum of seventy percent (70%) of their gross receipts from the sale of food. The election shall be held in accordance with KRS 242.030(1), (2), and (5), 242.040, and 242.060 to 242.120, and the proposition on the ballot shall state "Are you in favor of the sale of alcoholic beverages by the drink in (name of city or county) at restaurants and dining facilities with a seating capacity of at least one hundred (100) persons and which derive at least seventy percent (70%) of their gross receipts from the sale of food?". If the majority of the votes in an election held pursuant to this subsection are "Yes", licenses may be issued to qualified restaurants and dining

facilities and the licensees may be regulated and taxed in accordance with subsections (4) and (5) of this section.

**Effective:** July 14, 2000

**History:** Amended 2000 Ky. Acts ch. 435, sec. 17, effective July 14, 2000. -- Amended 1990 Ky. Acts ch. 219, sec. 3, effective July 13, 1990. -- Created 1988 Ky. Acts ch. 176, sec. 1, effective July 15, 1988.